

Community Choice Aggregation Frequently Asked Questions

What is green Community Choice Aggregation (CCA)?

Green Community Choice Aggregation is a way for a community to get more renewable energy into its residents' electricity, and provide stable and competitive electricity prices. It gives us the option to take control of our electricity sources and prices.

The law: In 1997, the Commonwealth of Massachusetts enacted a public policy enabling cities and towns to aggregate the buying power of individual electricity customers. This process is referred to as Community Choice Aggregation (CCA). Through a "green CCA", Arlington can make a meaningful reduction in its greenhouse gas (GHG) emissions efficiently, affordably, and with the added benefit of public education to bring better understanding to electricity bills, energy choices, and renewable energy.

Why is Arlington pursuing a green CCA?

Arlington has shown an ongoing commitment to reducing its GHG emissions through projects spearheaded by its Energy Working Group—including LED streetlights, fuel-efficient vehicles for Town use, and solar panels on schools. Since 2010, the Town has been a designated Green Community under the State's Green Communities Act, and has recently achieved its goal of reducing municipal energy use by 20% over five years. The Town has also supported efforts of residents to install solar power on their homes via its participation in 2012 in the Solarize Massachusetts campaign. As the town looks to go further and continue to lead by example, a green CCA is a logical next step.

Additionally, Arlington recognizes that CCA is a way to offer more stable electricity prices, and, very likely, savings on electricity bills to its residents.

How can Arlington begin a CCA?

A warrant article on CCA is being voted on at the 2016 Arlington Town Meeting in April. Town Meeting Members must vote in favor of the warrant article.

What does the CCA warrant article say?

Submitted by: Town Manager Adam Chapdelaine on behalf of Town Energy Working Group

To see if the Town will authorize the Board of Selectmen to commence a Community Choice Aggregation Program (CCA) and contract for electric supply as authorized by M.G.L. 164, Section 134, and through CCA decrease greenhouse gas emissions from the generation of electricity for Arlington residents and businesses by pursuing an increased amount of Class I designated renewable energy than is required by the Massachusetts Renewable Portfolio Standard (RPS), or to take any other action relative thereto.

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Endorsed by: Sustainable Arlington, Arlington Mothers Out Front, Massachusetts Climate Action Network

Supported by: Arlington Board of Selectmen

What happens if Arlington Town Meeting Members vote YES on CCA?

The Town is given the authorization to explore CCA. Assisted by a broker chosen through a competitive process administered by the Metropolitan Area Planning Council (MAPC), the Town would go out to bid for an electricity rate for residents, with the goal of getting a price that is competitive with Eversource's Basic Service rates over time and hopefully produces savings for Arlington ratepayers. *There is never an obligation for the Town to move forward with enacting CCA if they do not feel they are getting a good price for residents.*

How will Arlington residents be alerted if Arlington begins a CCA?

If Arlington goes out to bid and gets a good price for our electricity supply, a start date for our CCA will be set. Then, all residents and businesses currently on Eversource's Basic Service (this is most people in town) will be automatically given the appropriate price in the Supply portion of their Eversource electricity bills. The price may be slightly different for commercial and industrial consumers than it is for residential.

Nothing changes in the way residents pay their bills—we still send the money to Eversource.

There is a 30-day education period before the CCA starts where the Town will notify people of the upcoming change. During that period, residents can choose to opt out of the CCA, and therefore continue to receive Eversource's Basic Service rate.

Can Arlington residents opt out of CCA?

Yes. By law, the CCA program must include clear and easily executable steps allowing you to opt out with no penalty or other cost. In addition, the CCA plan must automatically exclude residents who have already chosen their own competitive supplier. Those residents will be instead offered the option to opt in to Arlington's CCA program.

This allows Arlington residents to choose to participate in something that makes a meaningful impact.

Would electricity bills still come from Eversource?

Yes, residents' electricity bills would continue to come from Eversource, but the CCA price would show up under the "Supply" Section of the bill.

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How much would it cost? Will Arlington ratepayers save money?

There would be no expenditure of money by the Town, or increase in taxes for residents.

The Town locks in a competitive price for electricity for Arlington residents for a period of time—possibly 1 or 2 years. In the Town of Dedham, which has undergone CCA, residential rates are locked in at \$.0969 cents/kWh until December, 2017. Compare that to Eversource's previous rate of \$.1050 and current rate of \$.10804. Although there is no way to predict how Dedham's rates will compare to Eversource's rates when they change in July 2016, it is likely that savings will continue.

Dedham, MA CCA rates comparison:

Rate	Cost	Applicable Timeframe
Eversource Basic Service – current	.10804 per kWh	January 1 - June 30, 2016
Eversource Basic Service – Previous	.1050 per kWh	July 1 – December 31, 2015
Town of Dedham residential rate acquired through CCA	.0969 per kWh	January 1, 2016 – December 31, 2017

Would additional renewable energy content make CCA more expensive than Eversource's Basic Service?

It is very unlikely. In Dedham, the rate of .09616 cents/kwh includes an additional 5% Class I renewable energy content. This is because the CCA process uses competitive solicitations to lower electricity procurement costs. Savings from this process are expected to be more than able to pay for the additional renewable energy content without raising overall rates compared to Basic Service.

We also envision that the chosen CCA supplier would offer one or more optional rates with even higher amounts of renewable energy for those residents wanting more.

Have any other towns done this?

79 Massachusetts' cities and towns have already implemented CCA plans, and more are in the process of passing CCA plans with the goal of reducing GHG emissions by increasing renewable energy content by at least 5% over what is required by the RPS, including Lexington, Somerville, and Cambridge. Three towns began green CCAs in January, 2016 - the City of Melrose, City of Salem and Town of Dedham.

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What are the benefits to Arlington?

Taking control of our electricity rates

Arlington can take control of its energy rates through CCA. Eversource is mandated by the state to set a rate for our electricity prices (called Basic Service) on a specific day every 6 months. If the electricity on the market on that day is costly, our rates are high for the next 6 months! We face growing uncertainty regarding Basic Service electricity supply rates because of fossil fuel supply and demand issues. In recent years, the fluctuations have been drastic, due in no small part to New England's high reliance on natural gas.

With a CCA, Arlington chooses its rate on whatever day the market looks best by working with an experienced broker—as opposed to allowing residents to remain at the mercy of Eversource's rate-setting.

Savings

There is a good chance that Arlington residents will save money over the life of a CCA compared to Eversource's Basic Service rates.

For example: As mentioned above, in the Town of Dedham, which has undergone CCA, residential rates are locked in at \$.0969 cents/kWh until December, 2017. Compare that to Eversource's previous rate of \$.1050 and current rate of \$.10804. Although there is no way to predict how Dedham's rates will compare to Eversource's rates when they change in July 2016, it is likely that savings will continue.

Price stability

Arlington can choose a stable price for its residents for a longer period of time than Eversource offers. This means more predictable bills for Arlington residents.

In addition, because the Town would pursue competitive solicitations for electricity supply under a CCA, there are likely to be savings for residents over time vs. Eversource's Basic Service rates.

Taking action against climate change

In a study of 11,994 climate study abstracts published between 1991 and 2011, **of those papers that took a position on manmade global warming (about 1/3 of them)**, 97% concluded that climate change is real and caused by humans. The Earth is facing a climate crisis and, to avoid the worst impacts of this crisis, the burning of fossil fuel must be dramatically curtailed. Massachusetts has a mandate of reducing GHG emissions 80% by 2050 through its Global Warming Solutions Act (GWSA) of 2008, and in order to meet this mandate, cities and towns must act.

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Shifting the sources of our electricity generation to include a greater share of renewable energy is a single, simple step that allows for an immediate and substantial decrease in GHG emissions, bringing Arlington closer in line with the state's Global Warming Solutions Act mandate.

Supporting our local energy economy

In general, dollars spent on imported fossil fuels flow out of Massachusetts, and are no longer available to invest in our local economy. Investing in New England-based renewable energy projects, as we could do through CCA, keeps energy jobs and revenue in our state and our communities. From *Renewable Energy Standards Deliver Economic Benefits* by the Union of Concerned Scientists (May 2013):

“Renewable energy development outperforms fossil fuels in two important ways when it comes to driving job growth: 1) Renewable energy development is relatively labor intensive, so it creates more jobs per dollar invested than fossil fuel resources and 2) Installing renewable energy facilities uses primarily local workers, so investment dollars are kept in local communities.”²

Protecting residents with a trusted competitive source for electricity

The Massachusetts Restructuring Act of 1997 unbundled the electricity market and struck down the monopoly held by investor-owned utilities (IOUs, such as Eversource) to generate, transmit and sell electricity to all consumers. Although Eversource still manages transmission and distribution (“poles and wires”) for Arlington, it no longer generates electricity and customers can choose a competitive electricity supplier (the electricity is still delivered by Eversource) or can stay with Eversource's Basic Service for electricity.

Unfortunately, some competitive suppliers have employed deceptive and confusing marketing practices, including door to door marketing where they do not clearly distinguish themselves from Eversource and do not disclose hidden fees or contract terms. But with CCA, residents are offered a better, clearer and fully disclosed choice. A municipality such as Arlington must submit a detailed plan for review by the Department of Energy Resources, Attorney General, and Department of Public Utilities before it is allowed to contract with a competitive supplier. As part of the rollout of CCA, each resident will be provided clear education on the price, timeframe, and comparability to Eversource Basic Service rates. Each customer will have the opportunity to opt out of the CCA at no cost (and remain on Eversource Basic Service).

In Summary

Overall, CCA is an effective way for communities to receive competitive electricity rates for residents, protect consumers from questionable practices by competitive electricity suppliers, and, with an increase in Class I renewable energy content over Eversource's current Basic Service, make a large impact on new renewable energy development in the state and region.